

VZCZCXYZ6009
OO RUEHWEB

DE RUEHBU #2117/01 2611051
ZNR UUUUU ZZH
O 181051Z SEP 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5928
INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//
RULGPIA/USCOMSOLANT

UNCLAS BUENOS AIRES 002117

SIPDIS

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
WHA/EPSC
CDR USSOCOM FOR J-2 IAD/LAMA

SIPDIS

E.O. 12958: N/A

TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: US GENERAL CRADDOCK'S STATEMENTS AT TENTH CONFERENCE OF THE AMERICAS; FOREIGN TERRORISM SUSPECTS' RIGHTS; WALL ON THE US-MEXICAN BORDER; PRESS ROUND WITH JANE SKANDERUP, CSIS; 09/15/06; BUENOS AIRES

1. SUMMARY STATEMENT

Today's most important international stories include US General John Craddock's statements at the Tenth Conference of the Americas; the US Senate Armed Services Committee passing a bill aimed at protecting the rights of foreign terrorism suspects; and the US Lower House passing a bill to build a wall on the US-Mexican border.

Leading "Clarín," daily-of-record "La Nación," business-financials "Ambito Financiero," "El Cronista," and "InfoBae" extensively report on yesterday's press round with Jane Skanderup, Pacific Forum, Center for Strategic and International Studies.

2. OPINION PIECES AND KEY STORIES

- "The US urges to fully honor the rule of law"

Conservative "La Prensa" reports (09/15) "The head of the US South Command, John Craddock, said yesterday that regional prosperity will only be obtained by honoring the 'rule of law' and that 'poverty, corruption and inequality' are major challenges. During a forum on competitiveness of the region in global economy, General Craddock underscored that 'money only goes where safety prevails, rule of law is honored, and institutions are transparent.'

"During the Tenth Conference of the Americas, which was organized by The Miami Herald newspaper, Craddock said that 'national and public security is the cornerstone of economic security.'

"Craddock underscored that 'through the reinforcement of public and national security, more efficient governments are created, which are capable of encouraging investment and promoting economic development.'"

- "(US) Senate defies Bush"

Liberal, English-language "Buenos Aires Herald" reports (09/15) "A (US) Senate committee rebelled against President George W. Bush yesterday, passing a bill it said would protect the rights of foreign terrorism suspects and repair a US image damaged by harsh treatment of detainees.

"Hours after Bush went to Capitol Hill to urge fellow Republicans to back his proposals for putting terrorism suspects on trial, a divided Senate Armed Services Committee approved its own bill which it said would meet demands of the US Supreme Court that struck down Bush's original plan.

"The committee also resisted Bush's bid to more narrowly define the Geneva Conventions' standards for humane treatment of prisoners, which Bush said was essential to enable the CIA to elicit valuable information from detainees.

"... Some lawmakers say they fear the practices put US soldiers at greater risk of harm or abuse if they are captured in conflicts overseas."

- "US expert is concerned about increasing business with China"

Leading "Clarín" reports (09/15) "After a tour to several Latin American countries, Jane Skanderup, a member of the Pacific Forum, Center for Strategic and International Studies, verified increasing trade ties between the region and China, and the important role played by the Asian giant in the growth of Latin American economy. Perhaps, this is why she said Washington is 'concerned' about the situation..."

"She advised to get ready for uncertain times, 'China will continue its industrialization for 20 more years, but commodities' prices will not remain high.'

"... Skanderup highlighted that 'Washington is concerned not only by Venezuela's entry into Mercosur, which is politicizing the bloc. China's decision to reach a trade deal with Mercosur could imply Paraguay breaking its diplomatic ties with Taiwan.'

- "China and India's markets pose advantages as well as dangers"

Natalia Labruna, columnist of business-financial, center-right "InfoBae," writes (09/15) "According to a report from CEPAL (Comisión Económica para América Latina y el Caribe) (Economic Committee for Latin America and the Caribbean), which was entitled '2005-06 Panorama of Latin America and the Caribbean's international insertion,' trade between Latin America and China/India has

considerably increased during the last 15 years..."

"Jane Skanderup, senior associate, Pacific Forum, Center for Strategic and International Studies, lectured in Buenos Aires on the Latin American policies towards China and their impact on US interests.

"According to the expert, one of the central issues posed by this problem is the way Washington assumes China's influence in the region. Skanderup asserted that 'there is consensus in the US to incorporate China because the US would certainly benefit from China's success in the region.'

"... The US is concerned that Chinese investments come to Latin America not only for commercial reasons but for political motivations, and therefore, in this case, investment will not be productive.

"... Skanderup pointed out that two of the regional issues that raise Washington's concern are Venezuela's incorporation into Mercosur (due to Chavez's political figure), and the effect it could bring to democracy. 'Mercosur needs to keep up with globalization and not get distracted with political goals.' She also said that the US is interested in Latin America's stable development and it is concerned that 'China's presence could be a negative influence in the region given the fact that it is not a productive democracy."

- "The US is concerned about China's advance"

Martin Kanenguiser, economic columnist of daily-of-record "La Nación," writes (09/15) "According to Jane Skanderup, member of the Pacific Forum, Center for Strategic and International Studies, the USG is concerned about China's political influence, and it believes that Argentina and Brazil granted the market economy status to it without too many guarantees about receiving investment.

"During a press round, Skanderup underscored that the US fears that ties between Latin America and China will turn against US interests.

"... Asked whether the US concern is political rather than economic, Skanderup answered 'it is clear that China has interest in the region in the long term, but it is a false expectation to think that the region will receive a lot of money in the short run and, in any case, (our) concern is that investment is guided by politics.'

"Asked whether the US perceives China as a threat, Skanderup underscores 'We do not perceive it as a threat but it worries the US because Latin America has weak democracies, traffic of people and drug trafficking, which China could well use (for its own purposes). In theory, Washington wants the region to have strong democracies, although perhaps it does not always show it.'

- "'Argentina and Brazil lost with China''

Business-financial "Ambito Financiero" reports (09/15) "Jane Skanderup, senior economist at the Center for Strategic and International Studies, described a disappointing reality - 'In the long term, China has a very strong interest in the region, but it is a false expectation to think that billions of dollars will arrive overnight. Argentina and Brazil obtained nothing but promises in exchange for declaring China a free market economy, and I think they did lose something...'

"... Washington's main concern is that investment is decided on the basis of political rather than economic reasons. This is why the US hindered the purchase of Chevron (Oil Company) by the Chinese state oil company. This could be applied to other Chinese investment in Latin America.

"'Weak democracies are new and weak, with recovering economies but the long term is uncertain and there are problems such as traffic of people, drug trafficking. The US is concerned about the fact that China could have reasons to enter the region, and that it could exploit those shortfalls for its own purposes.'

"... 'Washington is also concerned that China's political entry in the economy of the region could be more important than the economic entry, and that this could have a negative impact on the region. We saw this when Argentina and Brazil accepted China as a free market economy; in return, China only promised investment that it did not make.'

"... 'Latin America should use part of the revenues from China's high demand to invest in long-term, sustainable economic growth, and

there is being criticism that this is not happening.'"

- "The US is concerned over Beijing's influence in Latin America"

Sergio Serrichio, economic and political columnist of business-financial "El Cronista," writes (09/15) "According to Jane Skanderup, researcher at the Center for Strategic and International Studies, an influential think tank in Washington, the US is 'concerned' about China's increasing influence on Latin America.

"According to Skanderup, the main concern in Washington is that the trade and business China is establishing in the region are influenced by political rather than economic motivations. She pointed out that, to some degree, Chinese companies are owned by the government or have a State majority capital, and, therefore, have a logic that differs from that of a market economy.

"Skanderup said that Latin American countries should keep up with globalization, and for this purpose they should not 'get distracted by political issues.' As an example, she mentioned Venezuela's incorporation into Mercosur, which will politicize the bloc. China's dialogue with Mercosur is limited by Paraguay's acknowledgment of Taiwan, and China offered a free trade to Mercosur in order to change Paraguay's opinion. In return, it gives high priority to its aspiration to become an IDB member, thereby obtaining a window of regional influence and monitoring.

"... The expert pointed out that last April, the US Assistant Secretary for Western Hemispheric Affairs, Thomas Shannon, who went

SIPDIS

to Beijing to participate in the first dialogue between the US and China on Latin America, said that it is not a 'zero sum game.' However, he acknowledged that Beijing has increased its involvement in Latin America lately and that Washington needs 'to be sure that we agree' about the situation."

13. EDITORIALS

- "World security expenditures"

Leading "Clarín" editorializes (09/15) "The remarkable increase in world security expenditures is another consequence of the September 11 attacks... However, this is not in line with perception of lack of safety.

"... The increase in security expenditures in detriment to social expenditures may well contribute to deepening malaise and frustration, which is the root of many national and international security problems.

"In sum, it is a typical situation of reactive response to the symptom. This is at odds with an effective strategy that will offer not only preventive measures or military (or police) responses but will tackle the multiple reasons for international lack of safety."

To see more Buenos Aires reporting, visit our classified website at:
<http://www.state.sgov.gov/p/wha/buenosaires>

MATERA